

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS ROME 00315

SIPDIS

FROM THE U.S. MISSION TO THE UNITED NATIONS AGENCIES IN
ROME

STATE FOR IO/EDA SKOTOK
USAID FOR DCHA, OFDA GOTTLIEB, MLUTZ, MBBRENNAN, MMARX
AND LPOWERS; FFP JDWORKEN
USDA FOR FAS HUGHES
USUN NEW YORK FOR TMALY
GENEVA FOR NKYLOH/USAID
BRUSSELS FOR PLERNER

E.O. 12958: N/A

TAGS: [EAID](#) [EAGR](#) [ECON](#) [SENV](#) [UN](#) [FAO](#)

SUBJECT: FAO EMERGENCY PROGRAMS: INFORMAL DONORS'
BRIEFING

REF: (A) 04 ROME 1370; (B) 04 ROME 2298; (C) 05 ROME
0764; (D) 05 ROME 0877; (E) 05 ROME 1142; (F) 05 ROME
2979; (G) 05 ROME 3320; (H) 05 ROME 3976; (I) 05 ROME
3949; (J) 06 ROME 0087; AND (K) 06 ROME 0000

1. Summary and Background. On January 25, 2006, the Food and Agriculture Organization (FAO) Emergency Operations and Rehabilitation Division (TCE) held an informal donors' meeting to provide an overview of 2005 activities and special requirements for 2006. Recently appointed TCE Assistant Director General Tecle Tesfai chaired the session while TCE Director Anne Bauer and her staff provided overviews on TCE operations in 2005, including in Tsunami-affected areas, Africa and special programs in Somalia, the West Bank and Gaza Strip, and Iraq. In addition, Animal Production and Health Division (AGA) Director Samuel Jutzi provided an update on FAO's response to the Avian Influenza emergency. Lastly, a member of FAO's Food Security and Agricultural Projects Analysis Services (ESAF) briefed on FAO projects to improve food security analysis and action in emergencies. End Summary.

2. FAO entered the emergency operations arena in 1973 when it responded to the drought in the Sahel. Over the next 20 years, FAO's expertise in humanitarian assistance coordination spread out to crises around the world. In 2002 the emergency coordination unit evolved into a division: the Emergency Operations and Rehabilitation Division (TCE). In 2004, funding for emergencies reached the highest level ever when TCE delivered \$128 million in assistance and raised some \$230 million to carry out multi-year programs in over 70 countries worldwide. In 2005, TCE delivered \$163 million in assistance by year's end and received \$170 million in contributions. Currently in 2006, TCE's operational portfolio values over \$350 million, covering 300 projects in over 70 countries and regions. End Summary and Background

Donor Confidence and Increasing Contributions

3. In his introductory overview, recently appointed TCE Assistant Director General (ADG) Tesfai Tecle stated that TCE activities increased both in scope and depth in 2005, and FAO played a key role among UN agencies and field partners in emergencies. Although many African countries still remain affected by complex emergencies, Tecle stated there are signs of emerging progress in Sudan and the Democratic Republic of the Congo (DRC). FAO's relief and rehabilitation assistance, which is no longer limited to providing seeds and tools, not only rebuilds livelihoods but helps to bolster peace and stability in these countries. The outcome of last year's activities led to the provision of more recovery assistance, improved response mechanisms and management, including improved financial tracking and accountability, and a better understanding of the root causes of vulnerability. The growing level of donor contributions to TCE in 2005 is a sign of growing confidence in FAO's abilities.

4. Tecle emphasized that FAO is recognized as a key source of information on food security and nutrition issues, and the organization is closely collaborating with partners such as WFP on vulnerability and assessment mapping and UNHCR on reintegration programs for refugees and internally displaced persons (IDPs). Discussions are underway for expanded collaboration with ILO, UNDP and other NGOs.

5. TCE Director Anne Bauer informed donors that FAO's expertise in farming, livestock, fisheries and forestry is its comparative advantage and crucial to emergency

response and rehabilitation efforts. Although FAO does not provide food aid, its assistance complements food aid, promoting an early exit from it. FAO's ability to harness know-how and coordinate other UN and NGO partners in the agriculture and food security sectors is key, as FAO often works as an intermediary between recipient governments and these partners to avoid overlaps and gaps in agricultural relief.

16. Bauer reported that TCE's delivery of assistance services increased over the past few years. TCE delivered \$128 million in assistance in 2004 and \$163 million in 2005. Donor contributions have also been trending upwards. In 2004, TCE received \$210 million from donors and \$20 million from FAO's Technical Cooperation Program (TCP) for a total of \$230 million. In 2005, TCE received \$170 million in contributions, including over \$6 million from FAO's TCP. (Note: The U.S. has been a contributor to FAO's emergency programs since 1998. From 2002-2004, the U.S. contributed between \$4 million and \$8 million annually. In 2005, U.S. donations surpassed \$20 million. End Note) New donors contributing less than \$1 million include Portugal, Luxembourg, Greece, China, and Australia. Worldwide, TCE is currently operating a budget of approximately \$350 million, covering over 300 projects in over 70 countries and regions, representing 40 percent of the total of FAO field programs' portfolio.

The 2004-2005 Desert Locust Campaign

17. Bauer reported that FAO mobilized \$80 million from 27 donors to counter an upsurge of desert locusts in North and West Africa in 2004. Of the total mobilized, \$56 million has been spent, with most control inputs being delivered in 2004. In 2005 the emphasis shifted toward locust monitoring, control and environmental-related activities, and a marked decline in desert locust populations at the end of 2005 has led to the phasing out of operations in 2006. Many donors agreed to reallocate much of their unspent funds to environmental programs, including pesticides drum disposal and the establishment of a proper pesticide management program. Lastly, Bauer indicated that a donor-led independent evaluation of the 2004-2005 desert locust campaign began in November 2005, the results of which will be reported at the Desert Locust Control Committee (DLCC) meeting being held May 16-19, 2006, in Rome.

Increase in Overhead

18. Bauer stated that the increasing scope and complexity of TCE interventions led to some financial changes. In responding to an emergency, TCE relies on the services of FAO's administrative, finance and legal offices, but the reduction in FAO's regular program budget impacted all divisions, and TCE's increasing demand for services can no longer be met without reimbursement. Thus, during the 110th Session in September 2005, the FAO Finance Committee, one of its governing bodies, reviewed TCE support cost policy and endorsed an increase from 6.5 to 10 percent of the rate for TCE projects to cover the costs incurred by FAO central support services (e.g., procurement, finance, personnel, legal, etc.). The 3.5 percent increase was based on a 2004 FAO cost study, which indicated that a 10 percent ceiling is required to recover variable indirect support costs from TCE activities. Bauer assured PermReps present that this rate will be reviewed regularly, and asked them to help explain this increase to capitals.

19. Bauer also stated that FAO's capacity to deal rapidly with an emergency has been enhanced by the Special Fund for Emergency and Rehabilitation Activities (SFERA). SFERA was established in April 2004 and provides FAO with the flexibility and financial means to react promptly to crises before donor funds are actually received by FAO. She thanked the increasing number of donors who contributed to the SFERA, including Norway, Finland, Canada, Germany, the United Kingdom, Switzerland, France, and the U.S. (Note: The U.S. earmarked funds for Avian Influenza activities. End Note)

Avian Influenza Activities

10. Samuel Jutzi, Director, Animal Production and Health Division (AGA), provided a brief update on developments in the response to Avian Influenza since FAO's last informal briefing to donors on September 1, 2005, (reftel Rome 2979):

A) With geographical expansion outside of Asia, the Highly Pathogenic Avian Influenza (HPAI) virus is now firmly entrenched in Ukraine, Romania and Turkey. FAO initiated five TCPs outside of Asia, with Budapest being the site for Eastern Europe, Bamako for West Africa, Nairobi for East Africa, and Cairo the site for both North Africa and the Near East. Jutzi noted that if HPAI is detected in Africa, donors and governments must act quickly to bolster already weak veterinary networks.

B) David Nabarro, UN Coordinator for Avian Influenza activities, has been instrumental in coordinating activities between the UN agencies and other partners. In November 2005, FAO co-sponsored a meeting in Geneva with OIE, WHO and the World Bank to review progress made and identify financial needs and coordination mechanisms. Most recently, a donor pledging conference was held in Beijing, where donors pledged \$1.9 billion in assistance. In preparation for Beijing, FAO developed a Global Program for Avian Influenza Control and Eradication, which encompasses global and regional action; support to infected countries' control activities; assistance to countries at risk; and immediate support for a newly infected country.

11. To date, FAO has received a total of \$29 million in contributions from Australia, France, Germany, Japan, Norway, Switzerland, the Netherlands, the U.S. and its own TCP funds. FAO reports it will require an additional \$100 million, noting shortfalls of \$35 million for global and regional programs and \$65 million for country specific activities.

2005 TCE Outputs

12. Tsunami: Accomplishments include the deployment of over 70 FAO experts to provide fishery and fish processing assistance to over 2,000 households and support on income-generating activities to over 30,000 households in Indonesia. FAO provided both technical assistance and direct assistance through training on cash-for-work initiatives, boat building, saltwater damage and coastal planning, all under the "build back better" theme. A joint report by the UN, the UK's Department for International Development (DfID) and the World Bank appreciated FAO's role, and the American Red Cross recently approached FAO to begin collaborating in ongoing relief activities. TCE staff indicated FAO will need an additional \$47.5 million over the next two years for ongoing rehabilitation work in many countries, including Yemen, which has been largely forgotten by donors.

13. Africa: Overall, TCE activities supported 200,000 beneficiaries, 500 training workshops, and the distribution of 200 000 tools and 253.5 tons of seeds. In Sudan, FAO assisted 160,000 households in the south and Darfur to rebuild livelihoods, and worked with the European Commission to formulate a \$100 million food security project. In Niger, FAO established an emergency coordination unit (ECU); however, with the backing of only one donor, FAO had to use TCP funds to supplement the ECU. Lastly, in Southern Africa, FAO strengthened its information activities, developed a monitoring and evaluation framework for emergencies and, under the new UN humanitarian reform clusters framework, began implementing many programs jointly with UN partners such as UNICEF. In 2006, it plans to bolster its Nairobi office with food security specialists to monitor and identify issues relating to the drought.

14. Special Programs: The current portfolio of the Special Emergency Programs Service (TCES) includes Iraq, Somalia, West Bank and Gaza Strip and North Korea. Beginning in February, Sudan will be added to the portfolio. For Somalia, FAO appointed a Nairobi-based joint FAO Officer-in-Charge/Emergency Coordinator in May 2005. For the West Bank and Gaza Strip, FAO provided agricultural inputs and equipment; training on pest management, cultivation techniques, dairy farming and horticulture production; and is contributing to the establishment of a multi-sectoral Food Insecurity and Vulnerability Information and Mapping System (FIVIMS). For Iraq, TCES provides assistance through the UN "Clusters" framework to restore community irrigation schemes and water supply, support veterinary and livestock services (pleading for \$6 million for the control of the animal disease brucellosis), and to promote cottage industries. TCES staff noted their unit has made progress in mobilizing non-traditional sources of donor funding for its programs, for example, from church groups in Kenya and from a well-known Italian supermarket chain.

¶15. A member of FAO's Agricultural and Development Economic Division gave a brief overview of Food Security Information for Action program and how it is applied to emergencies. FAO has been asked to be more involved in food security interventions and information and analysis systems. This is mainly being driven by a) the Good Humanitarian Donorship Initiative (GHDI); b) current FAO collaboration with donors on food security, for example the European Commission, which is funding projects to obtain country-level information in 20 countries, and the Netherlands, whose partnership with FAO is leading to UN-based programming; and c) the need to improve FAO response frameworks to emergencies, as mandated by the FAO Strategic Framework, 2000-2015. In 2005, food security information gathering activities were conducted in partnership with TCE in Angola, Afghanistan, Eritrea, Mozambique, Somalia; in 2006, these activities will expand to Ethiopia, Sudan (North and South), West Bank and Gaza Strip. FAO and WFP are working together on food security analysis/assessment methodologies and plan to hold a joint workshop in April 2006 in Nairobi. FAO hopes to host an international workshop on same in June 2006.

2006 FAO Appeals

¶16. FAO is requesting over \$96 million in funding through the United Nations Consolidated Appeals Process (CAP) to support food security activities in 14 countries and regions. In Africa, FAO's appeals total \$86.8 million including \$33.2 million for Zimbabwe, \$10.4 million for Burundi and \$7.8 million for Liberia. (Note: in 2005, FAO launched 12 CAPs for Africa totaling \$157 million; donors responded with \$66 million in contributions or 42 percent. End Note) Outside of Africa, FAO's CAP components include \$6.4 million to improve the livelihoods of fisherman in the West Bank and Gaza Strip, and \$2.9 million to strengthen disrupted livelihoods in Nepal.

¶17. Under the UN Flash Appeal for Pakistan, FAO is requesting \$25 million to restore livelihoods by providing seeds, fertilizer, tools, and fodder as well as spot repair of small-scale irrigation canals and roads. FAO has already provided emergency assistance through its own funds, delivering 200 tons of seed and 200 tons of fertilizer for the winter season. Currently, only Canada has confirmed a substantial contribution to FAO's work in Pakistan, although negotiations are ongoing with others.

¶18. FAO's component of the UN Flash Appeal for Ethiopia is \$18 million for a broad range of agricultural relief and rehabilitation projects. Meanwhile, FAO and other UN and partners are currently finalizing a plan of action for the DRC. The plan should be released on February 13, with FAO seeking \$50 million. Lastly, FAO joined the UN and other partners to develop the 2006 Work Plan for Sudan, for which FAO is seeking \$40 million. More information on FAO's component of the 2006 Work Plan for Sudan can be found at:
http://www.fao.org/reliefoperations/app_sudan_intro_en.asp.

Donor Response

¶19. The United Kingdom Ambassador reiterated DfID's appreciation for FAO's work in the Tsunami, noting it was a job well done thus far. He then questioned whether a) FAO can reprogram its own funds for Avian Influenza in order to reach the \$100 million appeal; b) FAO would be willing to accept other technical assistance if donor governments are unable to provide funds, since the number FAO staff working on Avian Influenza activities is limited; and c) FAO can really manage such a large program. ADG Tecle responded that the FAO TCP monies have a \$400,000 limit per project, according to regulations, and there is no possibility to reprogram more without a new ruling by the governing body and donors. AGA Director Jutzi welcomed technical expertise and assistance from donors in addition to cash. And TCE Director Bauer stated that FAO managed successfully the \$700 million Iraq Oil-for-Food program over five years.

¶20. The European Commission Ambassador requested a clarification on SFERA and whether there was duplication of effort on Avian Influenza funding and activities within the UN system. Bauer responded that SFERA is used as a vehicle to jumpstart Avian Influenza projects for donors to earmark funds thereby avoiding the lengthy approval process of a formal project document. Jutzi stated his division supports the use of SFERA because it allows flexibility in programming. Lastly, Tecle stated

there is no duplication of effort on Avian Influenza activities globally as FAO and its partner agencies have set up a global strategy to ensure no overlap (for example, FAO concentrates on early warning systems, wildlife research, vaccinations, etc).

¶21. Norway reacted negatively to the TCE support cost increase from 6.5 to 10 percent, noting it was an overall increase of 47 percent. For an emergency the size of the Tsunami it is understandable, but not for small emergency

SIPDIS

projects, the PermRep noted. Bauer replied that the comparison of emergencies is not fair as there are economies of scale, and the increase was warranted because member states were not willing to pay for services rendered at headquarters via assessed contributions. She explained that, until now, these services had been rendered free of charge to TCE, but this can no longer continue due to staff cuts. Tecle stated that the original 6.5 percent fee was an underestimation.

¶22. The Netherlands Ambassador encouraged FAO to engage in more frequent donor consultations, especially as they relate to improving humanitarian assistance and reform. On Avian Influenza, the Ambassador was pleased to hear FAO would accept technical expertise, as he was having difficulty in leveraging funds from The Hague on a largely animal health emergency. Lastly, the Netherlands questioned whether FAO saw some of the humanitarian reform processes alluded to in the presentations as threats or opportunities. Bauer responded that TCE welcomed continuous dialogue on humanitarian reform processes, especially the clusters approach, noting it was not an easy issue to pinpoint as it is applied differently in each country. Bauer is FAO's representative at all IASC and OCHA reform meetings, and all FAO offices, including regional offices, are solicited for contributions to the discussions on reform.

¶23. Canada asked when FAO would move to a consolidating reporting system under SFERA (the Netherlands subsequently echoed, suggesting FAO employ WFP's reporting system), and expressed concern over the inflation of the Avian Influenza emergency, questioning whether it is really a humanitarian emergency. Bauer explained that TCE already issues project reports to donors individually, however, a consolidated system can be deployed at an increased cost. Jutzi replied that work on Avian Influenza goes beyond emergency and into capacity building as veterinary services are being strengthened, therefore, using the emergency gateway is justified to reduce future emergency preparations. Lastly, humanitarians are dialoguing to ensure it does not become a human pandemic. A TCE staff member stated that the American Red Cross indicated to FAO Avian Influenza is one of their top priorities for 2006.

¶24. USMISSION UN Rome will continue to disseminate widely information on FAO's emergency operations.

CLEVERLEY